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SENATE BILL 1137

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MARY JANE M GARCIA

AN ACT

RELATING TO HEALTH CARE; ADDRESSING MEDICAID MANAGED CARE, THE
UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER AND OTHER
PROVIDERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public Assistance Act is
enacted to read:

"[NEW MATERIAL] MEDICAID MANAGED CARE--UNIVERSITY OF NEW
MEXICO HEALTH SCIENCES CENTER--AUTHORIZATION FOR CONTRACTS
DIRECTLY WITH PUBLIC AGENCIES, HOSPITALS, ESSENTIAL COMMUNITY
PROVIDERS AND PROVIDER SERVICE NETWORKS. --

A. A managed health care plan offered through the
medicaid program shall include participation by the university
of New Mexico health sciences center. The human services
department shall administer a program to ensure the

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1 participation includes delivery of primary care and tertiary
2 care services and to attempt to ensure, to the extent permitted
3 by federal law, that the medicaid patient population served by
4 the university of New Mexico health sciences center remains at
5 least at a level similar to that served by the university of New
6 Mexico health sciences center prior to implementation of the
7 medicaid managed health care program.

8 B. A managed health care plan offered through the
9 medicaid program shall provide payments to the university of New
10 Mexico health sciences center at rates that are reasonable and
11 adequate to meet costs incurred by efficiently and economically
12 operated facilities, taking into account the disproportionately
13 greater severity of illness and injury experienced by the
14 patient population served.

15 C. The human services department shall administer a
16 program and cooperate with the university of New Mexico health
17 sciences center to ensure an adequate and diverse patient
18 population necessary to preserve the health sciences center's
19 educational programs. The human services department shall also
20 assure continuity of general support under the state medicaid
21 program to the university of New Mexico health sciences center
22 for medical education and for serving a disproportionately large
23 indigent patient population.

24 D. In administering the medicaid program or a
25 managed health care system for the program, the human services

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1 department may contract directly with a government agency or
2 public body, public nonprofit hospital, the university of New
3 Mexico health sciences center, an essential community provider
4 or a provider service network. In doing so, the human services
5 department is not required to contract with any such entity only
6 through arrangements with a health care insurer.

7 E. For the purposes of this section:

8 (1) "enrollee", "patient" or "consumer" means
9 an individual who is entitled to receive health care benefits
10 from a managed health care plan;

11 (2) "essential community provider" means a
12 person that provides a significant portion of its health or
13 health-related services to medically needy indigent patients,
14 including uninsured, underserved or special needs populations;

15 (3) "health care facility" means an institution
16 providing health care services, including a hospital or other
17 licensed inpatient center, an ambulatory surgical or treatment
18 center, a skilled nursing center, a residential treatment
19 center, a home health agency, a diagnostic, laboratory or
20 imaging center and a rehabilitation or other therapeutic health
21 setting;

22 (4) "health care insurer" means a person that
23 has a valid certificate of authority in good standing under the
24 New Mexico Insurance Code to act as an insurer, a health
25 maintenance organization, a nonprofit health care plan or a

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1 prepaid dental plan;

2 (5) "health care professional" means a
3 physician or other health care practitioner, including a
4 pharmacist, who is licensed, certified or otherwise authorized
5 by the state to provide health services consistent with state
6 law;

7 (6) "health care provider" or "provider" means
8 a person that is licensed or otherwise authorized by the state
9 to furnish health care services and includes health care
10 professionals, health care facilities and essential community
11 providers;

12 (7) "health care services" includes physical
13 health services or community-based mental health or
14 developmental disability services, including services for
15 developmental delay;

16 (8) "managed health care plan" or "plan" means
17 a health benefit plan of a health care insurer or a provider
18 service network that either requires an enrollee to use, or
19 creates incentives, including financial incentives, for an
20 enrollee to use health care providers managed, owned, under
21 contract with or employed by the health care insurer. "Managed
22 health care plan" or "plan" does not include a traditional fee-
23 for-service indemnity plan or a plan that covers only short-term
24 travel, accident-only, limited benefit, student health plan or
25 specified disease policies;

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1 (9) "person" means an individual or other legal
2 entity;

3 (10) "primary health care clinic" means a
4 nonprofit community-based entity established to provide the
5 first level of basic or general health care needs, including
6 diagnostic and treatment services, for residents of a health
7 care underserved area as that area is defined in regulation
8 adopted by the department of health; and

9 (11) "provider service network" means two or
10 more health care providers affiliated for the purpose of
11 providing health care services to enrollees on a capitated or
12 similar prepaid, flat-rate basis. "